



## Why it's worth considering an early inheritance

Have you ever considered helping your children financially? An increasing amount of baby boomers are gifting their children money for a down payment on their first home or simply gifting them money for other purposes. In fact, according to statistics from Mortgage Professionals Canada, gifts from parents for home purchases have doubled from 7% in 2000 to 15% between 2014 and 2016.

For those who choose to gift an early inheritance, their reasons are often as simple as being able to enjoy watching their children use the money to better their life, rather than wait till they pass.

### Financial benefits

An early inheritance avoids probate fees (estate administration tax), which can be as high as 1.7%, depending on your province. Gifting income-generating investments can also save you money by bringing you down to a lower tax bracket. Your tax specialist can tell you more.

### An early inheritance can help your children:

- Make a down payment on their home
- Pay for their childrens' education
- Help them start up a business
- Pay for a wedding



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## How to do it

Many people use a home equity line of credit in order to gift an early inheritance. Others liquidate or transfer investments. However, these can bring disadvantages in the form of loss of earnings or tax payable when selling investments.

A reverse mortgage allows you to cash in your home's equity, without any of these disadvantages.

## Advantages of reverse mortgages

- Your investments remain intact
- You have no regular monthly payments/fees
- Your income is not affected
- The money you get from a reverse mortgage is tax free

Please give me a call to find out more about gifting an early inheritance to your children.



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